

U. S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

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DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

STATEMENT OF

THE MASTER CHIEF PETTY OFFICER OF THE COAST GUARD

FRANKLIN A. WELCH

ON THE FISCAL YEAR 2005 BUDGET AUTHORIZATION

BEFORE THE

**SUBCOMMITTEE ON COAST GUARD AND MARITIME
TRANSPORTATION**

U.S. HOUSE OF REPRESENTATIVES

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Mr. Chairman and distinguished members of this subcommittee, I am honored to appear before you again as the Master Chief Petty Officer of the Coast Guard to share my views in support of the Coast Guard service members and their families that I am so privileged to represent. Forums such as this provide our workforce with a necessary means to communicate with the highest levels of our government and I am very appreciative of your sincere interest in ensuring the continued success of our United States Coast Guard.

I am pleased to report that the men and women of all components of the Coast Guard met the many demands of 2003 with the same humble professionalism and can-do spirit for which our service is known. I have every faith and confidence that the stellar work and commitment of our workforce will continue well into the future. As we meet the challenges of today, it is more apparent than ever that the preservation of our free and prosperous nation is of unprecedented criticality. Your Coast Guard, through the service of our great people, is doing the important and necessary work of our country with the absolute distinction and dogged persistence that our core values of honor, respect and devotion to duty were founded upon.

While many know us for only our Search and Rescue prowess, I know for certain that you possess a global understanding of our lengthy list of roles and missions. They include our role in the Iraq war and ongoing operations in the region, the war against terrorism and the war against drugs. We also continue to guard against illicit trade and transportation of people and goods into and out of our country, economic depletion and marine safety fatalities. All of these missions we perform admirably every day. It is also important to recall that the Coast Guard was involved in one of the largest governmental reorganizations in history during 2003, while simultaneously meeting the implementation mandates of the Maritime Transportation Security Act (MTSA) of 2002. 2003 was a busy year for the Coast Guard.

Without question, the Coast Guard continues to provide a service to our nation that affords multiple returns on our taxpayer's investments. So much so, that I am often asked, "How in the world do you do it?" This refers of course to the relatively small size of our service as it relates to our expansive portfolio of responsibilities to the American and international public. The response to that commonly asked question is simply an honest acknowledgement of the superior work, dedication and many sacrifices made by our people on a continuing basis.

The past year found the Coast Guard with increasing responsibilities and too few people to sustain the post September 11, 2001 operational environment while concurrently meeting MTSA implementation requirements. I am very thankful for your support in authorizing increased personnel end strengths and we are managing our growth in the

most responsible and methodical way possible. We have recently enjoyed a tremendously positive year in terms of recruiting and retention and expect similar results in 2004. As a result of our Strategic Metropolitan Area Recruiting Territory Program we have achieved a record-high result in recruiting minority members and the sixth best year on record for recruiting women. We are also mindful that personnel growth alone is not enough to effectively posture ourselves to meet the requirements of the future. The Coast Guard remains committed and aggressive in our pursuit to diversify our workforce. These recruiting successes, coupled with the second highest retention rate since 1958 (87.6 percent) are positive indicators that we are an attractive service to our nation's youth and an equally attractive employer as well.

The Coast Guard is extremely mindful of the needs of our people and we take their needs both seriously and responsibly. I believe that our Commandant's strong emphasis on our people is precisely what the Coast Guard needs in order to attract and retain the best and the brightest that our American public has to offer. Based upon recent personnel successes I am pleased to inform you that we are achieving the desired results. We have expanded personal tuition assistance funding to a maximum of \$4,500 per year and have authorized over 20,000 courses. The Coast Guard tuition assistance program currently has a 13 percent workforce participation, which has doubled since 2000. Our tuition assistance investments total nearly \$9 million. Coast Guard men and women are also eligible to participate in the U.S. Military Apprenticeship Program (USMAP) as well as the Servicemember's Opportunity College network.

We also remain committed to providing our workforce with professional development opportunities to better prepare them for service in positions of increased responsibility and authority. We must strive to offer much more. We are developing a strategy to improve our ability to provide professional development training for our men and women. This strategy includes the transformation of our existing leadership and management course into an E-5 course, the possible establishment of a command master chief course, as well as the introduction of a professional military education program during the summer of 2004. I believe that all of these initiatives are imperative for the future success of our men and women of the Coast Guard and I appreciate your understanding of the issue.

While I normally speak to you with a focus on our enlisted personnel, I represent the entire Coast Guard workforce. As such, I need to alert you to a concern about our officer cap. With this committee's support, the Coast Guard work force has grown by approximately three thousand people since 9/11/01. The increased responsibilities that the Coast Guard has undertaken since the terrorist attacks have required an increase in personnel. These billets are critically important to the Coast Guard, and current authority allows the Coast Guard to only have 6,200 officers at any one time, a limit not changed since 1993. Language has been proposed in the Coast Guard Authorization Bill to raise this limit to 7,100. The Coast Guard is projected to exceed the 6,200 officer cap in May of 2004 when the Academy class graduates. Without passage of the Coast Guard Authorization Bill, the Coast Guard will be forced to delay officer commissionings, the exact opposite message that we should be sending to young officers during this heightened period of terrorist alert.

As exceptionally as the men and women of the Coast Guard have performed, I also submit to you that we are not a service without challenges. Challenges, that if not

pursued and overcome could have a detrimental impact on the potential tenure of many among our workforce.

I stated during last year's hearing that, "The first challenge we face is that of our aging and antiquated fleet of cutters and aircraft. With aged equipment comes increased maintenance costs and expended man hours, out-dated technology and a general degradation of true operational readiness." The state of our operational resources is now another year older and another year outdated. While maintenance costs continue to increase due to the lack of spare parts and economic growth, we have also experienced increasing unscheduled maintenance days at the expense of planned missions. Our cutters and aircraft are the front-line offense in the pursuit of our mission sets and they must be our highest priority. The Integrated Deepwater System program is absolutely necessary in order for us to ensure the continued operational success of our Coast Guard.

I would like to shift focus from the loss of operational opportunities caused by unscheduled maintenance to our deepwater fleet to the impact these breakdowns have on our people. The current state of our aging fleet of cutters and aircraft has direct and negative impacts on safety and morale. We have had numerous incidents this year that serve as cases in point. To cite a few; a 270 foot cutter lost a rudder en route her patrol area. This loss of vital equipment caused increased days away from homeport to effect repairs. A different 270 foot cutter experienced a major generator explosion while on patrol in the Caribbean Sea. Fortunately, there were no injuries. A 110 foot cutter experienced active flooding while underway due to loss of hull integrity. The cutter was forced to return to port to effect permanent repairs. We had excessive mishaps last year due to HH-65 power losses. One aircraft alone had eight torque mishaps within a month requiring two engine changes and close to 300 man-hours of maintenance. Our crews work long enough hours completing operational missions before adding significant additional hours for maintenance purposes. The state of our fleet of cutters and aircraft has become so problematic that I routinely hear that many of our men and women are unable to take advantage of earned leave due to operational and maintenance demands and this is a fundamental injustice to their commitment to service.

Maintaining parity with regard to the pay, benefits and compensation package offered by Department of Defense services remains a constant challenge for the Coast Guard. While most of our fellow armed services assign personnel to large bases with accompanying support services, the Coast Guard must assign personnel to small remote locations. We are very much aware of the disparity introduced by assignments to remote areas, most of which are far removed from Department of Defense facilities. One example is the high cost of childcare. Having available and accessible childcare is a very important quality of life issue for Coast Guard personnel. Our remote assignments preclude access to Department of Defense and Coast Guard child development centers. The extremely high cost of childcare in remote areas is a concern, and we are exploring ways to defer reasonable costs to our members. Our typical remote assignments present financial hardships to our members and their families that are not usually encountered by our fellow armed forces due to our lack of facility and support infrastructure.

Our service members also face significant challenges within the TRICARE health care system. Again, these difficulties are mainly attributed to our more remote assignment locations, most of which are outside Military Treatment Facility catchment areas coupled with too few TRICARE providers in these areas. Travel and transportation costs associated with obtaining health care is also problematic, particularly for our men and

women assigned in Alaska and Puerto Rico. This is a particular burden for families with children when a spouse is deployed in support of Coast Guard operations.

I am very grateful for the recent Medicare overhaul bill that was passed at the end of 2003 and I am hopeful that the increase in Medicare and TRICARE reimbursements to providers will make TRICARE more attractive to our nation's physicians. I believe that low reimbursement rates are the principle reason that many health care providers elect not to become TRICARE providers, thereby limiting the pool of physicians from which our men and women could otherwise access. While many positive changes have been made to TRICARE during the last year, this is a health care system that will require very close monitoring and continued progress throughout the future.

Basic Allowance for Housing (BAH) reform continues to ease the financial burdens of members securing housing from the private sector and I am very thankful for your support that enabled continued increases to this important quality of life initiative.

However, we still need to address areas of special concern like resort areas where Coast Guard owned housing is the only financially viable housing alternative. We face many challenges regarding the maintenance of our housing units due to the age of our infrastructure. Since Rescue 21 and Integrated Deepwater Systems acquisitions are our rightful highest capital priorities, we must explore ways to improve our family housing within the Coast Guard budget and work to employ a mix of market and housing solutions. The recent reinstatement of Coast Guard housing authorities now permit us to pursue privatization initiatives and we are progressing toward that end.

The habitability of Coast Guard unaccompanied personnel housing units remain problematic as well. As with our owned family housing units, our unaccompanied personnel housing is also very dated and in need of repair and new furnishings. We continue to explore new methods for supporting the housing needs of our single members, including the expansion of unaccompanied leased housing for our young men and women assigned ashore. We have enjoyed a tremendous year in terms of recruiting and retention and I believe we have the obligation to our first term workforce to aggressively pursue quality of life initiatives on their behalf. Beyond pay, housing is the highest concern of our young Coast Guard men and women and they are most deserving of rapid enhancements.

Mr. Chairman, it has been a demanding but remarkable year for the United States Coast Guard. It has also been an equally remarkable year in terms of the support and recognition of our great people who make so many sacrifices in support of our homeland. We are extremely grateful for your continued emphasis on our pay, benefits and compensation packages and trust that the American public understands the importance of constant enhancements to all of our service programs and benefits. We are a service committed to the ideals of this terrific country and we need and deserve the continued commitment of our country to us, the men and women of the United States Coast Guard!

I am very grateful for your leadership and the leadership of this subcommittee and I look forward to continuing a mutually respectful and hard working relationship with you on behalf of all of the men and women of the Coast Guard that I proudly represent.

Semper Paratus!